



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Labor and Training

Center General Complex
1511 Pontiac Avenue
Cranston, RI 02920

Telephone: (401) 462-8000

TDD: (401) 462-8006

Donald L. Carcieri
Governor
Adelita S. Orefice
Director

WORKFORCE INVESTMENT NOTICE: 05-08

Workforce Investment Act

TO: Workforce Investment Areas

FROM: John J. O'Hare, Administrator – Workforce Investment Office

SUBJECT: WIA Administrative and Fiscal Requirements relating to State Audit Resolution Procedure

DATE: March 13, 2006

PURPOSE: This issuance details the State audit resolution procedures required by WIN Notice 05-05. In addition, this issuance requires all subrecipients (defined at Section 660.300 of the WIA Regulations) of WIA funds to adopt audit resolution procedures for their subrecipients.

DISCUSSION: Audit Resolution procedures must be established by written policy to ensure that all grantees subject to audit are properly noticed as to how audit findings will be resolved.

POLICY: Each State (including the Governor of the State), local area (including the chief elected official of the local area), and providers receiving funds under this title, shall comply with the applicable Circulars and Regulations of the Office of Management and Budget for the type of entity receiving Federal WIA funds. Nothing in this policy shall preclude the entity that is receiving federal funds from adopting new policies and procedures or utilizing existing policies and procedures provided they are at least as restrictive as the Federal Circulars and Regulations. Audit Resolution requirements are detailed in the reference documents identified in WIN Notice 05-05.

The State, therefore, prescribes the following audit resolution requirements as State Policy.

The process will be conducted in the following manner:

1. All those subrecipients required to submit an OMB A-133 Single Audit are required to submit a copy of the audit and financial statement to RI DLT's State Workforce Investment Office upon issuance by their auditor. The subrecipient audit shall be accompanied by a reconciliation of the audited expenditures to reported expenditures submitted to the awarding agency for the purposes of payment.
2. If there are no findings, RIDLT's State Workforce Investment Office will issue a letter acknowledging receipt of the audit from the subrecipient.
3. If there are findings, RIDLT's State Workforce Investment Office will allow the subrecipient (as defined in Section 660.300 of the Regulations) thirty (30) days to submit an audit resolution plan for—both administrative findings and all questioned/disallowed cost--contained in the final audit report.
4. The subrecipient will respond in writing to the RIDLT's State Workforce Investment Office on each audit finding with documentation, to substantiate the allowability of disputed questioned or disallowed costs and the resolution of administrative findings. This audit resolution plan must be submitted to the Administrator of RIDLT's State Workforce Investment Office .
5. The RIDLT's State Workforce Investment Office will then review the audit resolution plan with supportive documentation and issue an initial findings and determination letter. The letter will be issued by the Administrator of RIDLT's State Workforce Investment Office within thirty (30) days from the receipt of the subrecipient's response.
6. The subrecipient may request informal resolution of the RIDLT's State Workforce Investment Office's findings and determinations. The request for an informal resolution must be sent to the RIDLT's State Workforce Investment Office Administrator within ten (10) days from the receipt of the initial findings and determinations letter. The request must detail which findings and determination are to be discussed.
7. When the request for informal resolution is granted, RIDLT's State Workforce Investment Office may schedule a meeting in an attempt to resolve the administrative finding or questioned /disallowed costs. The subrecipient must be prepared to substantiate its position with documentary evidence.
8. The informal resolution and review period, if requested, begins with the issuance of the initial finding and determination letter and extends to the 120th day from the issuance of the final audit report.
9. A written final findings and determination letter will be written by the Administrator of the State Workforce Investment Office, accepting or rejecting the subrecipient's evidence on administrative findings and the disputed

questioned or disallowed costs. This letter will be issued 120 days from the date of issuance of the final audit report and will be based on an evaluation of the available information including: the subrecipient's response to the final audit report, RIDLT's State Workforce Investment Office's initial findings and determinations, the subrecipient's documentary evidence, and any other information made available through the informal resolution process.

10. The final determination will include all debts, sanctions and remedies required, and will specify the corrective action necessary to resolve the audit findings. In addition, the final determination will inform the subrecipient of its appeal rights and how to file an appeal.

Appeal Rights

11. The subrecipient may appeal the RIDLT's State Workforce Investment Office Administrator's final finding and determination. The request for appeal must be sent by certified mail to RIDLT's State Workforce Investment Office, Administrator, Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Cranston, RI 02920, within ten (10) days from the receipt of the final determination letter. The request for appeal must detail which finding or disallowed cost is being appealed.
12. The appeal will be heard by an administrative hearing officer appointed by the Director of RIDLT. The appeal will be heard within 30 days of the receipt of the appeal by the Administrator of the State Workforce Investment Office. A final decision will be issued by the administrative hearing officer no later than 180 days of the issuance of the final audit to the subrecipient.

EFFECTIVE DATE: This policy is effective for all audits of the Workforce Investment Act from the inception of the Act.

ACTION: This information should be provided to all appropriate WIB Board members/staff, subrecipients and vendors. All subrecipient must submit a copy of their Audit Resolution Procedures to the State Workforce Investment Office for review and approval within 30 days of this issuance. Audit resolution procedures with subrecipients and vendors must be included in all contracts by reference.

INQUIRIES: Any other questions concerning this letter series should be directed to me at 462-8782 or by e-mail at (johare@dlt.state.ri.us) or to Bob Garofano at 462-8149 or by e-mail at (bgarofano@dlt.state.ri.us).

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request
to individuals with disabilities